

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (-01 bps.)	GNMA (30 Yr) 6% Coupon:	114-02/32 (1.61%)
6 Mo. T-Bill:	0.10 (+03 bps)	Duration:	3.84 years
1 Yr. T-Bill:	0.26 (unch.)	Bond Buyer 40 Yield:	4.46 (-01 bps)
2 Yr. T-Note:	0.73 (+02 bps)	Crude Oil Futures:	59.96 (+.83)
3 Yr. T-Note:	1.14 (+04 bps)	Gold Futures:	1178.80 (+11)
5 Yr. T-Note:	1.75 (+01 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.40 (-01 bps)	U.S. High Yield:	6.69% (+04 bps)
30 Yr. T-Bond:	3.10 (-01 bps)	BB:	5.14% (+03 bps)
		B:	6.87% (+05 bps)

Late last week yields fell as more buyers than sellers were present but yields are still up strongly over the past three weeks. As positive economic indicators and news have been released over the past month bond yields have rallied strongly. The US 10-yr is yielding nearly 2.4% as of Friday vs. just 2.14% for the week ended May 15th. Additionally, all eyes will be on the Federal Reserve this week as it meets to determine whether to raise the discount rate or continue leaving it range bound at 0-.25%. The Fed has not tightened monetary policy since 2006 and most anticipate no rate change until this Fall. In advance of the Federal Reserve meeting, the International Money Fund (IMF) declared it does not believe the Fed should raise rates until 2016 as it expects the US economy to grow only 2.5% this year as the first quarter of 2015 showed the US economy contracting. Last week's Thursday Retail Sales Report registered a 1.2% May increase, in line with expectations and prices remain little changed from a year ago as a result of lower oil prices. Friday's Producer Price Index report showed prices up .5% in May, slightly above analyst expectations. Analysts will be looking to see how price changes are affected in the upcoming months as 6/20/2014 was the 2014 crest for oil prices and Y-o-Y numbers will be compared to lower prices going forward. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: June Empire Manufacturing and May Industrial Production (+.2% MoM,+.5%); Tuesday: May Housing Starts (1100K, -35K); Wednesday: Federal Fund Rate Decision (0-.25%, unch.); Thursday: U.S. Current Account Balance (-117B), May CPI (.5% MoM, +.4%), Prior Week Jobless Claims (276K, -3K) and the May Leading Index (.4%, -.3%)

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17898.84 (0.35%)	Strong Sectors:	Financials, Cons. Staples
S&P 500:	2094.11 (0.12%)		Materials
S&P Midcap:	1530.89 (0.33%)	Weak Sectors:	Info Tech, Energy
S&P Smallcap:	710.38 (0.45%)		Utilities
NASDAQ Comp:	5051.102 (-0.31%)	NYSE Advance/Decline:	1,442 / 1,801
Russell 2000:	1265.022 (0.36%)	NYSE New Highs/New Lows:	212 / 292
		AAII Bulls/Bears:	20.0% / 32.6%

The S&P 500 finished up .12% for the week, but was limited during its final trading session. In a surprise move Friday, the International Monetary Fund walked away from talks with Greece after the IMF signaled a deep divide in negotiations between creditors and Greece. The S&P 500 fell .69% during Friday's trading session. In another surprise, the House of Representatives dealt the President a blow when it couldn't pass his trade bill. Many of President Obama's key allies including, Speaker Nancy Pelosi, voted against the bill that would have provided greater assistance to worker's harmed by global trade and expanded the authority of the President to negotiate trade pacts with other nations. In company news, **Twitter** announced that its CEO, Dick Costolo, would step down as head of the company. Co-founder, Jack Dorsey, will assume the chief executive role on an interim basis as the company searches for a new leader. Shares in struggling retailer, **Sears Holdings**, fell nearly 25% last week. The company announced a \$303 million loss for the quarter while same-store sales fell 11%. Retailer, **Lululemon Athletica**, announced favorable results and guidance last week. The company grew sales by more than 10% while raising 2015 EPS outlook from \$1.86 to \$1.91. Shares in the company advanced 4.2% last week. Pharmaceutical company, **Eli Lilly**, closed at a 14 year high on Thursday before retreating on Friday. Investors are eagerly anticipating the announcement of new results related to the company's Alzheimer's treatment currently in development. Year-to-date, shares have returned more than 22%. Looking ahead to this week, on Wednesday, maker of the hit fitness tracker, **Fitbit**, will make its IPO. Announcing earnings this week will be **FedEx**, **Oracle**, **Adobe**, and **KB Home**.